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**REMARKS**

Claims 1-52 are all the claims pending in the application. Claims 1-34 stand rejected upon informalities under 35 U.S.C. §112. Claims 35-52 stand rejected under 35 U.S.C. §101. Applicants gratefully acknowledge that claims 1-52 would be allowable if rewritten or amended to overcome the present rejections. Accordingly, Applicants have amended claims 1, 18, 35, and 52. This amendment is being made, in part, based on communications between the Examiner and the undersigned attorney on March 14, 2007 and March 27, 2007 in which the amended language was discussed and agreed to as overcoming all of the rejections.

**I. The 35 U.S.C. §112, Second Paragraph, Rejection**

Claims 1-34 stand rejected under 35 U.S.C. §112, second paragraph. Applicants have amended claims 1 and 18 to include the step, "sending the embedded delta production and consumption value from a source site to a target site" in order to overcome the rejection. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw this rejection.

**II. The 35 U.S.C. §101 Rejection**

Claims 35-52 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Applicants have amended claims 35 and 52 to include language pertaining to a "computer hardware readable", "computer processor", and a "distributed computer-implemented method" to reflect that the claimed invention is not directed to software only per se, but rather to hardware that performs the respective functions identified in claims 35-52. In view of the

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foregoing, the Examiner is respectfully requested to reconsider and withdraw this rejection.

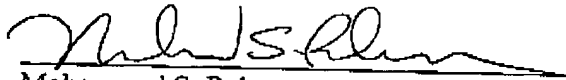
### III. Formal Matters and Conclusion

With respect to the rejections to the claims, the claims have been amended, above, to overcome these rejections. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections to the claims. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary. Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 09-0441.

Respectfully submitted,

Dated: March 27, 2007

  
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